INFORMATION REPORT INFORMATION REPORT

CENTRAL INTELLIGENCE AGENCY

This material contains information affecting the National Defense of the United States within the meaning of the Espionage Laws, Title 18, U.S.C. Secs. 783 and 794, the transmission or revelation of which in any manner to an unauthorised person is prohibited by law.

S-E-C-R-E-T

| 25 X 1 | | REPORT | t Germany/Communist China | COUNTRY USS |
|---------------|-------------|-----------------|--|-------------------------------|
| 55 | 24 August 1 | DATE DISTR. | et Military Capabilities | SUBJECT 1. |
| | 3 | NO. OF PAGES | ects of Soviet Foreign Policy Domestic Politics | 2. |
| | RD | REQUIREMENT NO. | | DATE OF INFO. |
| • | | REFERENCES | | PLACE ACQUIRED |
| 25X1 | | TED Information | This is UNEVALUA | PLACE ACGUIRED |
| 25X1 | | • | | DATE ACQUIRED |
| | NTATIVE. | TED Information | This is UNEVALUA | PLACE ACQUIRED DATE ACQUIRED |

- 1. Although the Soviet Union is certainly willing to start a war, it is not at present able to do so. In Communist Party circles no secret whatever is made of the opinion that at present the Soviet Union is not able to beat the Western powers militarily without great risk to itself. The following reasons are advanced at CPSU cell meetings in support of this opinion: The moto-mechanization of the Soviet Army is not yet adequate; reserves of atom and hydrogen bombs are not adequate; the Air Force is far from achieving the level of development demanded of it; the Navy is weak; the median military command (wartime officers' generation) is not prepared for its task; heavy industry needs at least five years to supply the needs of mobilization reserves; and the situation in agriculture is so weak that, in case of a war lasting three years, the Soviet Union would collapse from famine. There are still tens of other reasons advanced for this inability to start a war, and altogether they have simply forced the Soviets to adopt their present peace tactics.
- 2. All plans are ready to convert the KVP into a People's Army overnight by "pushing a button". This has not been done to date for tactical reasons. The plan gives to this army all of the rights necessary except that of a General Staff. Instead of the General Staff, there will be a so-called Fuehrungsstab. Also, the operations section of this new staff will probably be headed by a German speaking Soviet with a German name.
- 3. The closing of the various Soviet missions at Karlshorst is being carried on with an unusual amount of noise, because the Soviets wish to create the impression that all of their missions in East Germany except the Embassy are being liquidated. However, the majority of the Soviet missions in Karlshorst will probably remain in the DDR, under cover of the Embassy. This reorganization is strictly a tactical maneuver, for cutside consumption. A large percentage of the Soviet officials presently assigned to the various missions, particularly those with German language ability, will return to the DDR, seemingly as embassy and consular personnel.

S-E-C-R-E-T

| | | | | | | | | <u> </u> | | | |
|-------|----------|-------|-------|----|-----|--------|--------------|----------|--------------|--------------------------------------|------|
| STATE | ARMY | | NAVY | 32 | AIR | Y I | FBI | , | AEC | OCT ev x | |
| SIAIC | ARMI | _ X - | 11011 | | | | | | | | 1 |
| | | | | | , | (Ninte | . Washin | aton | distribution | indicated by "X"; Field distribution | by # |
| | | | | | | (14016 | . ********** | | | 1,10,100,100,100 | |
| 1 | | | | | | _ | | | | | |

S-E-C-R-E-T

-2-

- 4. The Soviets both do and do not want the reunification of Germany to come about. They will certainly undermine any effort of the West to bring this reunification about, but they might treat reunification as a matter for bargaining. They will permit the reunification of Germany if, in return: sufficent offsetting advantages are gained in the Middle East and in the Far East; the reunification leads to at least a slowdown in West German rearmament and a split in the unity of NATO; and the West can be effectively prevented from interfering with the system of Soviet satellites. The West can hardly agree to these terms, however, and therefore the status quo will probably be maintained unless there is a new political change in Moscow.
- 5. Meanwhile, there is a certain nervousness among officials of the DDR, who seem to expect the DDR to be written off by the Soviets and the SED to be dropped. They are "like poker players in a dark room, who cannot see their opponents" expressions". It is not likely that the Soviet Union will drop the DDR, as it has invested too much in it politically and draws a great advantage from it; but apparently the Soviets have not given the top DDR officials sufficient reassurance on this matter.
- 6. The reason why Moscow does not trust Party members in the satellite countries and attempts to place Soviets beside them is simply that the majority of the satellite leaders, even though Communists, still think in a Western way. They have not had sufficient experience in and are not thoroughly imbued with the Soviet way of life. Moscow trusts only those who grew up under the Soviet regime and who have mastered the Russian language to the point of thinking in it. Bolshevism and Russianism are very closely related.
- 7. Relations between the Soviet Union and Communist China are far from cordial. Each side considers itself the "elder brother", although a good face is kept before the world. However, there is reason to believe that often it is not the Kremlin that is dictating to Peiping but Peiping that is dictating to the Kremlin. There is evidence that the present Soviet action for German unification, i.e., for the "writing off" of Germany under certain conditions, was demanded by Communist China. The conditions are admission of Communist China to the UN, the liberation of Formosa, and the liquidation of Chinag Kai-Shek.
- 8. The discussions in the Western press about quarrels within the leadership of the Soviet Union are exaggerations of the true state of affairs. Quarrels have always occurred within the Soviet leadership, as long as the Soviet regime has existed. Particularly in error is the discussion in the Western press about the pre-eminence of the marshals. The proportionate role of the Army in the highest level of government has increased since heriya's downfall, while the proportionate role of the MVD/MUS has decreased. Eulganin is the balancing factor between the three principal forces in the USSR, ranked in order of importance as Farty, Government, and Army. At present no single person is strong enough to fill the post of Stalin, not even Khrushchev. The jealousy which exists among the top leaders prevents anyone from rising to an outstanding position. The top echelon is simply forced to maintain collective leadership, and the situation will remain as it is for a long time to come unless someone attempts to push himself forward and is cut down, as Malenkov and Beriya were. Under such circumstances, even rivals are finding a common language when it is necessary to push asise someone who is beginning to rise above the others or who is advertising bimself too much. In this situation, any kind of overnight surprise is possible. However, the West should not put as much hope in this possibility as it does; to do so is a big gamble.
- 9. No internal overthrowal of the Soviet Government is possible. The masses, particularly the collective farmers, are spiritually ripe for a revolution, but under the Soviet system it is unthinkable that any uprising of the masses could go beyond local boundaries; the masses are apathetic and powerless. The top army leaders are too well situated, and under another system of government they could obtain no better pay or living standards than they enjoy at present. If the middle and younger Soviet officials were free to conspire, anything could be expected, because the attitude of this group toward the regime is very skeptical. However, the "middle class" does not have capable leaders, and any attempt at conspiracy would be nipped in the bud.

S-E-C-R-E-T

| Approved For Release 2008/09/19 : CIA-RDP80-00810A007700260006-6 | | | | | | | | |
|--|----------|-----------------|----------------|-----------|----------------------|---------------|--|--|
| | | S-E-C-R-I | ₹ - ,†, | | | 25X1 25X1 | | |
| | | - 3- | | | | 25/1 | | |
| 1. | Comment: | rawal of Soviet | officials : | frem East | a report Germany. | 25 X 1 | | |
| | | | | | | | | |
| | | <u> </u> | | | | 25X1 | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |